REMARKS

Claims 1-7 and 13-19 remain in the application and have been rejected. Claims 8-12 and 20-25 have been withdrawn. Claims 1, 12, 13, 15, and 25 have been amended. Claims 4 and 15 have been cancelled. Applicant respectfully requests reconsideration.

CLAIM REJECTIONS UNDER 35 U.S.C. §112

The Office Action rejected claims 4, 12, 15, and 25 under 35 U.S.C. 112, second paragraph, as being indefinite. The Office Action objects to the use of the term "virtual memory" to mean something other than its accepted meaning. Claims 4 and 15 have been cancelled and claims 12 and 25 have been amended to refer to "images which exist only in memory," as found in the specification.

CLAIM REJECTIONS UNDER 35 U.S.C. §102

The Office Action rejected claims 1-3, 7, 13, 14, 16, and 19 under 35 U.S.C. 102(b) as being anticipated by Carlsen (US 6,020,897). The Applicant respectfully traverses the rejection.

As to claims 1 and 13, the Office Action contends that Carlsen discloses steps similar to steps a) through d). Claims 1 and 13 have been amended to incorporate the language of claims 4 and 15, respectively: "wherein steps a), b), and c) are performed using images which exist only in memory." Accordingly, Applicant has cancelled claims 4 and 15. Claims 1 and 13, as amended, are not anticipated by Carlsen and should therefore be allowed.

Claims 2, 3, and 7 are dependent upon claim 1 and are not anticipated for the reasons that claim 1 is not anticipated.

Claims 16 and 19 are dependent upon claim 13 and are not anticipated for the reasons that newly amended claim 13 is not anticipated.

Claim 14 is dependent upon claim 13 and is not anticipated for the reasons that claim 13 is not anticipated.

CLAIM REJECTIONS UNDER 35 U.S.C. §103

The Office Action rejected claims 4-6, 15, 17, and 18 under 35 U.S.C. 103(a) as being unpatentable over Carlsen. Claims 4 and 15 have been cancelled, therefore their rejection is rendered moot. Applicant respectfully traverses the obviousness rejections of claims 5, 6, 17, and 18 for the following reasons.

The Office Action concedes that Carlsen does not disclose "steps performed in virtual memory." The Office Action contends, however, that "performing image functions in virtual memory is well-known in the art" but does not cite prior art where there is done. Additionally, the Office Action concedes that "Carlsen does not expressly disclose a dithered one-bit per pixel image on a watch face, nor does Carlsen disclose a hand-held information processing system" but that these manifestations are "well-known in the art." Again the Office Action fails to cite prior art with these manifestations, as claimed. Deficiencies of cited references cannot be remedied by the Board's [or Examiner's] general conclusions about what is "basic knowledge" or "common sense" to one of ordinary skill in the art. In re Zurko, 527 U.S. at 162-63, 50 USPQ2d at 1936 (1999). Where an assessment of basic knowledge and common sense was not based on any evidence in the record it lacks substantial evidence support. The Zurko court said:

"As an administrative tribunal, the Board clearly has expertise in the subject matter over which it exercises jurisdiction. This expertise may provide sufficient support for conclusions as to peripheral issues. With respect to core factual findings in a determination of patentability, however, the Board cannot simply reach conclusions based on its own understanding or experience -- or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings. To hold otherwise would render the process of appellate review for substantial evidence on the record a meaningless exercise. Baltimore & Ohio R.R. Co. v. Aderdeen & Rockfish R.R. Co., 393 U.S. 87, 91-92 (1968) (rejecting a determination of the Interstate Commerce Commission with no support in the record, noting that if the Court were to conclude otherwise "[t]he requirement for administrative decisions based on substantial evidence and reasoned findings -- which alone make effective judicial review possible -- would become lost in the haze of so-called expertise")."

For the foregoing reasons, Applicant respectfully requests entry of the amendment and allowance of the pending claims.

Respectfully submitted,

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Date: October 18, 2006

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I hereby certify that this Amendment and Response to Office Action, and any documents referred to as attached therein are being deposited with the United States Postal Service as First Class Mail on the date below, to the Commissioner for Patents, U.S. Patent and Trademark Office, P.O. Box 1450, Alexandria, VA 22313-1450.

Michael J. Buchenhorner

Date: **October 18, 2006**